Testimony of Debora Clay Wykes, President/CEO, Habitat for Humanity of Monroe County, MI

May 21, 2014

Habitat for Humanity of Monroe County in 2009 purchased and paid for a foreclosed unfinished site condo development. In Frenchtown Township, each empty lot costs us about $750 yearly in property tax. When a house is built on the lot, our homeowner pays about $1800/year in property tax. Since 2009, Habitat has paid over $30,000 in property taxes on the empty land on these lots alone. That is $30,000 on donor money that can never be recovered in a sale. The property tax payments have slowed us down, but we plan to finish in 2015.

HUD, Land Banks (state and county), or banks through their REO programs, have all offered Habitat several dilapidated structures in neighborhoods that require teardowns and then we build new appropriately styled homes on the lots. Sometimes Habitat is offered units for rehabilitation. The fact we will have to pay property tax in certain communities always stops Habitat from taking more than a few units to demolish or rehab, thereby leaving the rejected blighted properties up for several more months past our turn down dates. Individual for profit developers are not looking for these properties that are fill in lots. Therefore, the lots and the foreclosed houses sit and wait.

Habitat needs 1-2 years and up to 5 years to have land ready on which to build. If a home is demolished to make way for a new one, we maintain the lot and ready the plans. Habitat's mission is to build homes to sell to lower income families, and the way we do this is by raising funds, purchasing building supplies locally (generally over $400,000 per year is put back into the Monroe community by paying local contractors and buying local materials), employ local people and utilize volunteers. Property tax payments always slow the building process and especially cause us to make decisions against the properties that we take from others, even a free donation of land is not free. The land we decide against is not desirable properties, but those that are not wanted by others.